

## Chapter 2

---

# Classical View of Organizations

This text devotes two chapters to the definition and description of organizations. This chapter presents the classical view of organizations, while the following chapter (Chapter 3) presents the systems view of organizations. The emphasis in this chapter is on describing the attributes of organizations and classifying them. In the process, the chapter describes an athletic team as an organization in its own right. This view could be discussed in a class discussion; students could also engage in a discussion of different ways of classifying sport organizations and assessing the utility of different schemes.

## Managing One's Learning

After completing this chapter, students should be able to:

- Define an organization.
- Identify and describe significant attributes of an organization.
- Describe the ways in which organizations can be classified and the significance of such classifications for management.

## Test Questions for Chapter 2

### *Essay*

1. We discussed several attributes of an organization. Select two sport organizations and describe them in terms of those attributes.
2. What is an organization? Explain the essential elements included in the definitions provided in the text. Your answer should include a description of the attributes of an organization.
3. Describe division of labor within an organization as a tool for efficiency. Give examples to explain how different departments within a sport organization use specialization to achieve division of labor.
4. Describe the hierarchy of authority within an organization and provide an example of how this hierarchy governs the organization of the membership it oversees.
5. Describe an athletic team as an organization. Discuss the similarities and differences between an athletic team and a conventional organization.
6. An organization is said to have clear boundaries. Explain the attributes that define the boundaries of an organization.

7. The way in which an organization is funded helps to classify the organization. Provide an example from the sport industry of each of the three funding classifications.
8. Identify the differences between a profit-oriented organization and a nonprofit-oriented organization. Provide an example of each.
9. The text refers to four types of organizations based on the criterion of prime beneficiary of the organization. Describe each type in detail and provide examples for each.
10. The Y and Gold's Gym are both fitness-related organizations. What are the differences between the two? Explain why these differences exist.
11. Considering the various sport organizations you are familiar with, explain the bases on which you would classify them.

### ***Multiple-Choice***

1. According to the definitions of an organization, all of the following are elements of the definitions except which of the following?
  - A. A common goal is being sought.
  - B. More than one person is needed.
  - C. Financial obligations have been met.
  - D. Specialized functions are coordinated.
  - E. Members' contributions are specialized.
2. *Healthy People 2020* is an example of which type of organization?
  - A. Private organization
  - B. Public organization
  - C. Third sector organization
  - D. Nonprofit organization
  - E. None of the above
3. The Y is an example of which type of organization?
  - A. Private organization
  - B. Public organization
  - C. Third sector organization
  - D. Nonprofit organization
  - E. None of the above
4. When the public-at-large is the prime beneficiary of an organization, then that organization can be classified as which of the following?
  - A. Business concern
  - B. Commonwealth organization

- C. Mutual-benefit association
  - D. Service organization
  - E. None of the above
5. Which of the following organizational attributes best describes the service and mission of the organization?
- A. Permanency
  - B. Division of labor
  - C. Clear boundaries
  - D. Identity
  - E. Program of activity
6. Generally speaking, an organization tends to last longer than the individuals who make up the organization. This refers to which organizational attribute?
- A. Permanency
  - B. Division of labor
  - C. Clear boundaries
  - D. Formal rules and procedures
  - E. Life expectancy
7. Which of the following is not an attribute of an organization?
- A. More than one person is needed
  - B. The members' contributions are specialized
  - C. Specialized functions are coordinated
  - D. Transitory nature
  - E. Hierarchy of authority
8. Which of the following is not an attribute of an organization?
- A. Division of labor
  - B. Quality of labor
  - C. Membership
  - D. Instrumentality
  - E. Program of activity
9. Which of the following organizational attributes specifies where the power to make decisions resides?
- A. Division of labor
  - B. Clear boundaries
  - C. Formal rules and procedures
  - D. Identity
  - E. Hierarchy of authority

10. Which of the following organizational attributes remains consistent over time?
- A. Division of labor
  - B. Clear boundaries
  - C. Formal rules and procedures
  - D. Identity
  - E. Hierarchy of authority
11. Which of the following organizational attributes can be limited to certain demographics?
- A. Division of labor
  - B. Membership
  - C. Formal rules and procedures
  - D. Identity
  - E. Hierarchy of authority
12. Which of the following is a way in which a third sector organization is formed?
- A. Government creates it
  - B. Government cuts funding to a public organization
  - C. Government provides funding to a private organization
  - D. Initial public offering (IPO)
  - E. Both A and C are correct
13. Based on the employee-customer interface, service organizations are described as all of the following except:
- A. Maintenance-interactive
  - B. Task-interactive
  - C. Personal-interactive
  - D. Transactional-interactive
  - E. All of the above are correct

### ***True/False***

1. **T or F** Programs of activity partially define the goals of an organization and the domain in which it operates.
2. **T or F** Organizational permanency helps to largely define what the organization is.
3. **T or F** Formalization refers to the extent to which procedures and rules determine the jobs and activities of employees.
4. **T or F** A decentralized organizational structure is one in which the general manager makes most of the decisions.

5. **T or F** A profit oriented organization considers its “extra” money a surplus.
6. **T or F** An organization is instrumental in achieving goals that are beyond the capacity of the individual members.
7. **T or F** Members of an organization are relatively more permanent than the organization itself.
8. **T or F** The major source of funding has also been used to classify organizations into private and public organizations.

### ***Fill in the Blanks***

1. The \_\_\_\_\_ of an organization is separate from the members who make up the organization.
2. An \_\_\_\_\_ is a group of people working together in some type of concerted or coordinated effort to attain objectives.
3. \_\_\_\_\_ is defined as an organization’s capacity of achieving goals beyond those of individuals.
4. An organization is \_\_\_\_\_ in achieving goals that are beyond the capacity of its individual members.
5. An organization’s \_\_\_\_\_ are described as that organization’s goals, program of activity, and roster of members.
6. Organizations tend to define \_\_\_\_\_ and establish its parameters.
7. The IOC promotes and fosters worldwide sport participation, which is an example of their organizational \_\_\_\_\_. Meanwhile, their \_\_\_\_\_ is defined by the devotion they have toward their mission.
8. The \_\_\_\_\_ is what an organization uses to assign certain work roles to their employees.
9. The \_\_\_\_\_ of an organization defines, in part, the goals of the organization and the domain in which it operates.
10. Some of the criteria for classifying organizations that are more germane to sports/physical activity organizations include (a) \_\_\_\_\_, (b) \_\_\_\_\_, and (c) \_\_\_\_\_.
11. The \_\_\_\_\_ of an organization is the group for whose benefit the organization exists.

12. The essential feature of a \_\_\_\_\_ organization is the partnership or collaboration between traditional private and public sector organizations.
13. In the \_\_\_\_\_ type of organization, the information processed by the employee is rather limited; the decisions made are simple; and each transaction with a customer involves little time, simple decisions, and minimal information processing.
14. In the \_\_\_\_\_ service organization, more time is involved, decisions are more complex, and employees have more information; as a consequence, employees have more power than customers.
15. Blau and Scott (1960) proposed four types of organizations, based on the notion of prime beneficiary; these include: (a) \_\_\_\_\_, (b) \_\_\_\_\_. and (c) \_\_\_\_\_.
16. The notion that organizations outlast the transfers, resignations, and deaths of individual members is known as \_\_\_\_\_.
17. An example of \_\_\_\_\_ would be represented by the positions of senior associate director, associate director, and assistant director.

### ***Definitions/Descriptions***

Define (and/or describe) the following terms and concepts:

- An organization
- The attribute of identity of an organization (or an instrumentality, a membership, boundaries, or permanency)
- Prime beneficiary
- Task-interactive service organization (or maintenance-interactive or personal interactive)

## **Test Answers for Chapter 2**

### ***Multiple Choice***

1. C (Financial obligations have been met.)
2. C (Third sector organization)
3. D (Nonprofit organization)
4. B (Commonweal organization)
5. C (Clear boundaries)
6. A (Permanency)
7. D (Transitory nature)
8. B (Quality of labor)
9. E (Hierarchy of authority)

10. D (Identity)
11. B (Membership)
12. E (Both A and C are correct)
13. D (Transactional-interactive)

### ***True/False***

1. True
2. False
3. True
4. False
5. False
6. True
7. False
8. True

### ***Fill in the Blanks***

1. identity
2. organization
3. Instrumentality
4. Instrumental
5. boundaries
6. membership
7. boundaries, identity
8. division of labor
9. programs of activities
10. Any three of the following: profit-orientation, source of funding, prime beneficiary, employee–customer interface
11. prime beneficiary
12. third sector
13. maintenance-interactive
14. task-interactive
15. Any three of the following: Mutual benefit associations, business concerns, service organizations, or commonwealth organizations.
16. permanency
17. hierarchy of authority